STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY

PETITION OF THE AQUARION WATER AUTHORITY IN OBJECTION TO THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION'S PROPOSED ASSESSMENT AGAINST AQUARION WATER COMPANY OF CONNECTICUT, INC. AND THE TORRINGTON WATER COMPANY PURSUANT TO SECTION 16-49 OF THE CONNECTICUT GENERAL STATUTES	:	DOCKET NO. 26-09-XX
	:	SEPTEMBER 15, 2026

PETITION OF THE AQUARION WATER AUTHORITY

The Aquarion Water Authority (the "AWA") hereby submits its petition pursuant to Section 16-49(e) of the Connecticut General Statutes ("Conn. Gen. Stat.")[1] to the Public Utilities Regulatory Authority ("PURA"), objecting to the Connecticut Department of Energy and Environmental Protection's ("DEEP") annual assessment to AWA's subsidiaries, Aquarion Water Company of Connecticut, Inc. ("AWC-CT") and Torrington Water Company ("TWC") for Fiscal Year 2027, which runs from July 1, 2026, through June 30, 2027 (collectively, the "2027 Assessments"). As set forth more fully in this petition, the imposition of the 2027 Assessments upon entities no longer regulated by PURA violates Conn. Gen. Stat. § 16-49.

Effective June 30, 2026, AWC-CT and TWC ceased to be public service companies as defined by Conn. Gen. Stat. § 16-1, and therefore are not subject to Conn. Gen. Stat. § 16-49 or any regulatory assessments effective after June 30, 2026. DEEP's position

[1] In accordance with Conn. Gen. Stat. § 16-49(e), and solely for purposes of requesting PURA's consideration of this objection, the AWA submits this petition to PURA. Nothing in this filing, however, should be construed as a concession that the AWA is a public service company or is otherwise subject to PURA's jurisdiction.

appears to be that AWA's subsidiaries are subject to the 2027 Assessments because AWC-CT and TWC had revenues in 2025.[2] However, these 2025 revenues are relevant only to *calculating* an assessment, not determining whether one applies. Since AWC-CT and TWC are no longer subject to PURA's jurisdiction effective June 30, 2026, PURA will expend no resources overseeing these entities during Fiscal Year 2027 and AWA's ratepayers will receive no meaningful benefit from PURA's services. Customers of AWC-CT and TWC already bear the costs associated with the authority governance model, and the 2027 Assessments would result in customers funding duplicative regulatory expenses without a corresponding benefit. Accordingly, the imposition of the 2027 Assessments violates Conn. Gen. Stat. § 16-49.

Based on the foregoing, AWA respectfully requests PURA to issue an order that (1) any assessments applicable effective June 30, 2026, including the 2027 Assessments are unlawful as to AWC-CT and TWC, and (2) the AWC-CT and TWC should be refunded the payments already made to DEEP, in May 2026, of $198,213.63 and $8,312.87, respectively.

I. BACKGROUND AND RELEVANT LAW

A. AWA's Creation and PURA's Jurisdiction over the AWA

The AWA is a newly created Connecticut public corporation established by the Connecticut General Assembly during its June 2024 Special Session (in Public Act No. 24-1)[3]. Through Public Act No. 24-1, the General Assembly granted the AWA the rights

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[2] *See* Affidavit of Debra Szabo, dated Sept. 15, 2026, at ¶ 9.

[3] Public Act No. 24-1 is named *An Act Concerning Motor Vehicle Assessments for Property Taxation, Innovation Banks, the Interest on Certain Tax Underpayments, the Assessment on Insurers, School Building Projects, the South Central Connecticut Regional Water Authority and Certain Historic Preservation Officer Procedures*.

and powers necessary to acquire Aquarion Company—including its subsidiaries, AWC-CT and TWC, which are now direct subsidiaries of AWA.

On April 4, 2025, the AWA and Eversource Energy filed a joint application under Conn. Gen. Stat. § 16-47 and Sections 16-47-1 *et seq*. of the Regulations of Connecticut State Agencies seeking PURA's approval for a change of control of Aquarion Company and its direct and indirect subsidiaries.[4] On March 25, 2026, PURA issued a final decision approving the change of control.[5] On June 30, 2026, the transaction closed, and ownership and control of AWC-CT and TWC were transferred to AWA.[6] In its decision approving the change of control, PURA explained that the AWA is not a public service company and as such, is not subject to PURA's jurisdiction.[7] PURA has reaffirmed that conclusion in subsequent rulings, clearly stating "[a]s a subsidiary of AWA, [AWC] is no longer a public service company subject to the Authority's jurisdiction under Title 16."[8]

B. Notices and Correspondence

All correspondence and/or communications regarding this Petition should be addressed to:

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4 *See* Docket No. 25-04-03, *Joint Application of Aquarion Water Authority, South Central Connecticut Regional Water Authority and Eversource Energy for Approval of a Change of Control*, Application (filed Apr. 4, 2025).

5 *See* Docket No. 25-04-03, *Joint Application of Aquarion Water Authority, South Central Connecticut Regional Water Authority and Eversource Energy for Approval of a Change of Control*, Final Decision (issued Mar. 25, 2026).

6 *See* Affidavit of Debra Szabo, dated Sept. 15, 2026, at ¶ 5.

7 *See id*. at 33; *see also id*. at 18 ("Consequently, although PURA approval is required to effectuate the acquisition, PURA's jurisdiction over AWA and Aquarion is extinguished upon closing.").

8 See Docket No. 25-12-12, *Application of Aquarion Water Company of Connecticut to Amend its Rate Schedules*, Docket Closing Action Other Than Decision (filed Jul. 4, 2026); *see also* Docket No. 26-05-11, *Application for Approval to Install and Use a Water Submetering System at Steelpointe Harbor, 55 East Main St, Bridgeport, CT*, Docket Closing Action Other Than Decision (filed Jul. 7, 2026) ("…effective July 1, 2026, Aquarion CT was no longer a public service company subject to the Authority's jurisdiction under Title 16. Accordingly, because the Company is no longer proposing to submeter water off of the supply of a regulated public utility, the Authority closes the instant docket.").

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A copy of all such correspondence or communications should also be sent to the AWA's attorney:

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C. 2027 Assessments and DEEP's Position

On June 30, 2026, the transaction closed, and ownership and control of AWC-CT and TWC were transferred to AWA.[9] Thereafter, neither AWA, nor its subsidiaries, operate as public service companies pursuant to Conn. Gen. Stat. § 16-1. For the fiscal year beginning July 1, 2026, DEEP has calculated the 2027 Assessments for AWC-CT and TWC as $873,616.84 and $34,161.78, respectively.[10] These amounts are each to be paid in four installments, due by June 30, 2026, September 30, 2026, December 31, 2026, and March 31, 2027.

AWC-CT and TWC made the first installment payment to DEEP in May 2026 of $198,213.63 and $8,312.87, respectively.[11] The payments were cleared in June 2026. In August 2026, DEEP issued and sent invoices to AWC-CT and TWC for the second set

[9] *See* Affidavit of Debra Szabo, dated Sept. 15, 2026, at ¶ 5.
[10] *Id.*, at ¶ 6.
[11] *Id.*, at ¶ 7.

of assessment payments. In August 2026, AWA sent two emails to DEEP disputing the assessments and requesting a refund of the first installment payments.[12] On September 9, 2026, DEEP responded to AWA's request stating that AWC-CT and TWC are responsible for the payments despite no longer being regulated by PURA.[13] DEEP further noted that the assessment is not an advance charge for the upcoming year but "a statutory fee based on revenue collected during the reporting year."[14] As such, DEEP stated that all invoices through March 31, 2027, remained due and payable.

D. The Annual Assessment Pursuant To Conn. Gen. Stat. § 16-49

The administrative costs of PURA, DEEP's Bureau of Energy and Technology Policy ("BETP"), the Office of Consumer Counsel ("OCC") and the Office of Policy and Management ("OPM") are primarily funded through annual assessments on certain public service companies that PURA regulates. "The administrative costs of PURA and the Office of Consumer Council (OCC) are not funded through the [Combined Public Benefits] charge; rather they are funded through assessments on public service companies (including electric companies) with over $100,000 in gross revenues in the state in the preceding calendar year."[15] More specifically, Conn. Gen. Stat. § 16-49(b) provides "[*f]or each fiscal year*, *each company*[16] shall pay [PURA] the company's share of all expenses

[12] *Id*., at ¶ 8.
[13] *Id*., at ¶ 9.
[14] *Id.*
[15] *See* OLR Report 2015-R-0047, *Allocation of Revenues from the Combined Public Benefits Charge*, written by Mary Fitzpatrick; *see also* Public Act 11-80, *An Act Concerning the Establishment of the Department of Energy and Environmental Protection and Planning For Connecticut's Energy Future,* Summary for Public Act No. 11-80 at Section 30 ("In the past, DPUC and OCC were primarily funded by an assessment on the companies DPUC regulated. The act applies this assessment (CGS § 16-49) to cover DEEP's bureau of energy, OCC, and PURA.").
[16] "'Company" means (A) any public service company other than a telephone company, that had more than one hundred thousand dollars of gross revenues in the state in the calendar year preceding the assessment year under this section, except any such company not providing service to retail customers in the state…". *See* Conn. Gen. Stat. § 16-49(a)(1).

of the department's Bureau of Energy and Technology, the Office of Consumer Counsel, the Office of Policy and Management's expenses related to the duties under sections 16-330b and 16-330c and the operations of the Public Utilities Regulatory Authority *for such fiscal year*," (emphasis added). The operational expenses for the fiscal year of the aforementioned agencies are allocated between the companies regulated by PURA. "Section 16-49(3)(c)(1) of the General Statutes states that on or before June 30, each company shall make an estimated payment for *the expenses of the following year* equal to 25 percent *of the preceding fiscal year*." (emphasis added).[17]

The assessment calculation takes into consideration the revenue collected by the public service companies on the prior fiscal year. "Four categories of companies are assessed in order to pay the expenses of the Department of Public Utility Control (Department) and the Office of Consumer Counsel [OCC]…The percentage that each individual (public service) company's reportable revenues represent, in relation to the total reportable revenues for all companies, is then used to calculate each company's percentage of Department and OCC expenses."[18] That is, the assessment is for the upcoming fiscal year, but it is calculated on the prior fiscal year's revenues.

As reflected in the Connecticut legislature's floor discussions on May 5, 1990, the legislative objective of the assessment is to fund, in advance of the fiscal year, the

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[17] *See Auditors' Report Department of Energy and Environmental Protection Council on Environmental Quality Office of Consumer Counsel Connecticut Siting Council Fiscal Years Ended June 30, 2015, 2016 And 2017* at 32, prepared by Auditors of Public Accounts on March 26, 2020, accessed at https://wp.cga.ct.gov/apa/wp-content/cgacustom/reports/Energy%20and%20Environmental%20Protection,%20Department%20of_20200326_FY2015,2016,2017.pdf (last accessed Sept. 11, 2026).

[18] *See* Docket No. 02-09-15, *Aquarion Water Company of Connecticut Objection to the DPUC's Proposed Assessment Against it Pursuant to Section 16-49 of the General Statutes of Connecticut*, Final Decision, at 2 (issued Mar. 26, 2003).

expenses of the applicable regulatory agencies for the fiscal year, through assessments imposed only on public service companies regulated by PURA.

REP. NYSTROM: (467th)
…My reading of that is that that you're accelerating a payment from the public service company to pay a portion of the cost of the Department of Public Utility Control by requiring a 25% payment from the out-year or the fiscal year following this year that we're adopting. Is that true, through you, Madam Speaker?

DEPUTY SPEAKER POLINSKY:
Representative Cibes.

REP. CIBES: (39th)
Through you, Madam Speaker, yes.

…

REP. NYSTROM: (467th)
Thank you, Madam Speaker. And is it the intention of this file that that acceleration would continue year after year as was outlined on the succession discussion earlier, through you, Madam Speaker?

DEPUTY SPEAKER POLINSKY:
Representative Cibes.

REP. CIBES: (39th)
Through you, Madam Speaker, what this does because of the peculiarities of the situation, is to require forard [*sic*] funding of DPUC expenses and the consequences to collect five quarters of tax of such expenses in this fiscal year. In succeeding years, to be exact, we would not expect to collect five quarters each year but four quarters. So in the sense that it would continue in the future, forard [*sic*] funding, yes, and to the, if you mean that we will collect five quarters each year in the future, no.

…

REP. NYSTROM: (467th)
Thank you, Madam Speaker. I'd be happy to. On page 27 of file 360, section 24 refers to public service companies and it references section 16-1 of our statutes. I guess the bottom line I really want to know, is this acceleration of payment now going to be applied to publicly owned municipally owned utility companies? Through you, Madam Speaker.

REP. JOYCE: (25th)
Through you, Mr. Speaker, I believe it is only companies, through you, Mr. Speaker, let me just to clarify the companies, what do you mean by municipally owned utility companies? Like the municipal, like CEMAC [*sic*] and that type of thing?

REP. NYSTROM: (467th)
Yes, through you, Mr. Speaker.

REP. JOYCE: (25th)
Through you, Mr. Speaker, these are not involved with the support of DPUC since they are not regulated by DPUC.[19]

II. ARGUMENT

A. AWA-CT and TWC are not subject to the requirements of Conn. Gen. Stat. § 16-49 because they are not Public Service Companies regulated by PURA pursuant to Conn. Gen. Stat. § 16-1

Imposing the 2027 Assessment on AWC-CT and TWC is inconsistent with the plain language of Conn. Gen. Stat. § 16-49. Effective June 30, 2026, AWC-CT and TWC ceased to be public service companies subject to PURA's jurisdiction. As a result, they are no longer among the entities for whose regulation the assessments are intended to fund. Conn. Gen. Stat. § 16-49 requires each "company"—defined by reference to a "public service company"—to pay PURA for the expenses of the identified regulatory agencies.[20] AWC-CT and TWC are now owned by, and operate as part of, the AWA. PURA has consistently determined that the AWA is not a public service company and is not subject to PURA's jurisdiction. Accordingly, because AWC-CT and TWC are owned by and integrated into the AWA, they likewise should not be treated as public service companies subject to the assessment under Conn. Gen. Stat. § 16-49.

[19] *See* House of Representative Transcripts for May 5, 1990 session, at 254-57.
[20] *See* Conn. Gen. Stat. § 16-49(c).

This interpretation is also consistent with the legislative intent underlying Conn. Gen. Stat. § 16-49, as documented in the statute's legislative history. During the May 5, 1990 floor discussions, the Connecticut legislature confirmed that Section 16-49 was intended to apply to entities regulated by the Department of Public Utility Control, PURA's predecessor agency.[21] The legislative history reflects that the statute was designed to require regulated public service companies—*i.e.*, the companies receiving regulatory oversight and therefore involved in supporting the agency's costs—to fund those administrative expenses.[22] It would therefore be contrary to both the text and purpose of Section 16-49 to require entities not regulated by PURA, such as AWC-CT and TWC, to bear the administrative costs of those agencies.

B. The 2025 Revenue Threshold Is a Calculation Mechanism, Not an Independent Basis for Assessment

DEEP's position is that AWC-CT and TWC remain subject to the assessments under Conn. Gen. Stat. § 16-49, despite no longer being regulated by PURA as of June 30, 2026, because they reported more than $100,000 in gross revenues for calendar year 2025. DEEP's position is flawed because it misconstrues the statute. The revenue threshold is not an independent basis for assessment; it applies only to a qualifying "public service company other than a telephone company."[23] Accordingly, the statute cannot reasonably be read to impose assessments on any entity that merely exceeded $100,000 in Connecticut gross revenues during the prior calendar year. Nor does the statute

[21] *See* n. 15, at 255-57.
[22] *See* Public Act 11-80, *An Act Concerning the Establishment of the Department of Energy and Environmental Protection and Planning For Connecticut's Energy Future,* Summary for Public Act No. 11-80 at Section 30.
[23] *See* Conn. Gen. Stat. § 16-49(a).

contain any provision imposing a continuing payment obligation on an entity merely because it previously held public-service-company status before a particular date. Such a reading would extend Conn. Gen. Stat. § 16-49 beyond its intended scope. The more appropriate construction is that only companies subject to PURA's regulatory oversight are required to fund the agency's operational costs through assessments. Because AWC-CT and TWC are no longer PURA-regulated public service companies, DEEP's proposed assessment theory is inconsistent with both the statutory text and the statute's legislative purpose.

C. Conn. Gen. Stat. § 16-49 Assessments Are Intended to Fund Current Regulatory Activities

As previously discussed, DEEP contends that the 2027 Assessments are not advance payments for the upcoming fiscal year but instead constitute a "statutory fee based on revenue collected during the reporting year." That construction is inconsistent with the text and purpose of Conn. Gen. Stat. § 16-49. The General Assembly has made clear that the assessments are intended to "forward fund" the applicable agencies' operations for the fiscal year.[24] Consistent with that purpose, the statute authorizes assessments to fund the applicable agencies' expenses for the fiscal year[25] and, by its plain terms, applies only to companies that qualify as covered public service companies subject to PURA's regulatory oversight. The statute's reference to gross revenues therefore serves only as an allocation mechanism for distributing recoverable agency costs among qualifying regulated companies; it does not create an independent revenue-based fee or, standing alone, supply a basis for subjecting an entity to assessment.

[24] *See* n. 15, at 254-55.
[25] *See* Conn. Gen. Stat. § 16-49(b).

Accordingly, the 2027 Assessments are properly understood as quarterly advance payments designed to fund agency administrative costs for the applicable fiscal year. DEEP's contrary construction is legally flawed and does not justify the imposition of such fees on AWC-CT and TWC.

D. Imposition of the 2027 Assessments Would Require AWC-CT and TWC Ratepayers to Fund Regulatory Functions from Which They Derive No Commensurate Benefit

Finally, imposing the FY 2027 assessment on AWC-CT and TWC would produce an inequitable result by requiring AWA's ratepayers to fund regulatory functions from which they will receive little or no benefit effective June 30, 2026. Following the transfer to the authority governance model, AWC-CT and TWC are no longer subject to PURA's jurisdiction and will not receive the regulatory services that the assessment is intended to support. Nevertheless, if the 2027 Assessments are allowed to stand, AWA's customers would be required to bear the cost of that assessment while simultaneously funding the oversight and governance framework applicable to the AWA. The result would be duplicative regulatory costs without a corresponding benefit to AWC-CT and TWC or its ratepayers, a consequence that is inconsistent with the purpose of the assessment and fundamentally unfair.

III. CONCLUSION

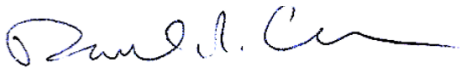
For the foregoing reasons, the 2027 Assessments violates Conn. Gen. Stat. § 16-49. The statute authorizes assessments only against qualifying public service companies subject to PURA's regulatory jurisdiction, and its revenue provisions function solely as a mechanism for allocating agency expenses among such regulated entities. Because

AWC-CT and TWC are now owned by, and operate as part of, the AWA, which PURA has determined is not a public service company subject to PURA's jurisdiction, there is no legal basis for those entities to fund the designated agencies' expenses for the 2027 fiscal year.

Therefore, AWA respectfully requests PURA to issue an order that (1) any assessments applicable effective June 30, 2026, including the 2027 Assessments are unlawful as to AWA and its subsidiaries, and (2) the AWA should be entitled to a refund of the payments already made to DEEP, in May 2026, of $ 198,213.63 and $8,312.87, respectively.

Respectfully submitted

AQUARION WATER AUTHORITY, on behalf of
Aquarion Water Company of Connecticut, Inc,
and Torrington Water Company



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